

State Transportation Flexibility Act

According to the Congressional Budget Office, the federal government spends more than \$50 billion per year on surface transportation programs, mostly in the form of grants to state and local governments. Much of this spending is for highways and mass transit programs financed through the Highway Trust Fund.

For decades, the federal government has hamstrung states with burdensome mandates to federal funds for roads and bridges. The Highway Trust Fund has been bailed out five times since 2008 to the tune of \$65 billion and the fund remains on the Government Accountability Office's (GAO) "high risk" list.

Despite the fact that the Highway Trust Fund is on fiscal life support, fewer and fewer dollars from the fund are actually being spent on construction and maintenance of core transportation infrastructure like highways and bridges. The GAO has concluded that "large increases in federal expenditures for transportation in recent years have not commensurately improved system performance."

The State Transportation Flexibility Act will put transportation on a path toward fiscal stability and give states the flexibility they need to innovate and better align transportation projects with their state and local needs. This legislation would allow state transportation departments to opt out of the Federal-Aid Highway and Mass Transit programs and direct more gas tax revenues into priority road and bridge projects. This will give these states the freedom to manage and spend the gas tax revenue collected within their states on transportation projects without federal mandates, while ensuring that the current Interstate System is maintained by the states.

The State Transportation Flexibility Act specifically:

- Allows states to elect not to participate in the federal-aid highway program, including any federal highway program under MAP-21 and SAFETEA-LU.
- Requires states that opt-out to agree to maintain the Interstate System in accordance with the current Interstate program.
- Requires states that opt-out to submit a plan describing the purposes, projects and uses to which such amounts will be put and the federal-aid highway programmatic requirements the state elects to continue.
- Requires states that opt-out to agree to obligate program amounts exclusively for projects that would be eligible for surface transportation program funding.
- Directs the Secretary to carry out a similar alternative funding program for public transportation programs.

Note: This legislation does not eliminate any of the programs within the federal transportation program. It simply allows states to opt out and keep their gas taxes. This is not a mandate, it is optional for states that believe it would work in their best interest.